



TUESDAY.
DECEMBER 24, 1967

THE JERUSALEM POST

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MARGINAL COLUMN By ARTHUR SAUL SUPER

Nasser Sees Menace To Egypt from Turkey

PORT SAID, Monday. — Colonel Abdul Nasser said here today that the stockpiling of rockets and hydrogen bombs in Turkey is a threat to Egypt.

Dag in Gaza For Xmas with UNEF

GAZA, Monday (Reuter). — U.N. Secretary General Dag Hammarskjold arrived in Gaza today from Cairo to spend Christmas with the U.N. Emergency Forces.

He was presented by a 10-year-old Arab refugee boy with a white pigeon which carried a string around its neck bearing the inscription: "Right over Might. There will never be peace in the Middle East until we are returned home."

This was Abdul Nasser's first visit to Port Said since last year's hostilities. Following his arrival in the city, he proceeded to lay floral wreaths on the graves of those who had died in last year's fighting.

In his speech he alleged that a plot had been hatched against him by Britain.

Mr. Hammarskjold, who was given a big welcome by foreign agents had paid an Egyptian intelligence officer, Mahmud Khalil, \$162,000 to organize the overthrow of his regime, but that Khalil had informed him of the plot.

Decorating Khalil today, Abdul Nasser said: "I was donating the sum to the establishment of an industrial cooperative in Port Said."

Reinforcements Sen

Touching on the Egyptian withdrawal from Port Said at the height of the fighting last year, claiming that the forces remaining to defend Port Said were small but urgent reinforcements had to be arranged to the Egyptian Garrison facing the Israelis at El Arish.

He also disclosed one of the secret hideouts of Egypt's Air Force during the Suez operation — a stretch of the Cairo-Alexandria road at Kalyoun, 20 kms. north of Cairo. He said that Egyptian planes had used the road for take-offs to attack the Anglo-French forces during the assault on Port Said.

Other details passed on included Soviet-made MiG fighters, Ilyushin twin-jet bombers and T-34 tanks. Biggest cheers from the crowd of 12,000 went to the red-bereted paratroops who passed by in double time.

SYRIAN NOTE TO TURKS

LONDON, Monday (INA). — The Syrian Government has sent a Note to Turkey protesting Turkey's hostile campaign against Syria's economic interests in the Republic. The Note also asked for Turkey's cooperation in keeping the Middle East out of the Cold War.

6-10 Intermediate-Range Missile Squadrons for Europe

NEW YORK, Monday (Reuter). — The U.S. is planning to station between six and 10 squadrons of intermediate-range ballistic missiles in Europe as a result of the decision of the North Atlantic Alliance to accept these missiles in principle.

This was disclosed by General Lauris Norstad, Supreme N.A.T.O. Commander, in a fireside discussion interview here last night.

He said these squadrons — each with 15 missiles — would be the first phase of a long-range missile programme for Europe.

General Norstad also disclosed that the cost of an IRBM squadron and its base would "compare quite favourably with a squadron of aircraft maintained over a period of two to three years — about \$30m. to \$40m. per squadron."

Asked about the geographical positioning of IRBM bases in Europe, General Norstad said the first steps would be taken in a matter of days and weeks, not months.

The technical problems — the physical development of bases, the training of personnel and the availability of the missiles — these things may be something in the order of a year to 18 months."

Asked if he had been disappointed that two countries in Western Europe had not accepted the shorter-range missiles Honest John and Corporal, General Norstad replied: "It does not weaken our posture as far as IRBM missiles are concerned. The forces in those two countries would be more immediately stronger than they had these shorter-range missiles such as the Corporal."

At a secret meeting with top U.N. officials Mr. Kuznetsov was understood to have been told that Czech troops would definitely be unacceptable for such duty, since Czechoslovakia was the first European country to have shipped to Egypt under the terms of the Soviet-Egyptian arms agreement of 1955. Mr. Kuznetsov was said to have been informed that Polish troops might be accepted, but he rejected that alternative.

We announce the sudden passing away of our beloved husband, son, brother and brother-in-law

HAIM WEINBERG,
Engineer

The funeral will take place today, December 24, 1967 at 2 p.m. at the Kiryat Shaul Cemetery. A bus will leave 98 Rehov Ibn Gabirol, Tel Aviv at 1:30 p.m.

Dr. M. Weinberg, Wife
Miriam Weinberg, Mother
Wilhelm Straschaer and Rachel
née Weinberg

On the 30th day after the passing away of our dear and beloved

Hanna Neviazskis

A Memorial Service and the unveiling of the tombstone over her grave will take place next Thursday, December 26, 1967, at the Kiryat Shaul Cemetery.

Her former pupils, relatives and those who knew and loved her, will gather to pay reverence to her memory.

Taxis leave at 2 p.m. from 6 Rehov Katzenbach, Tel Aviv. Those going directly to the Cemetery will meet at 2:30 p.m. near the entrance.

THE FAMILY

B-G at Ceremony to Mark Kibbutz Status for Yotvata

By SHAYA SHAPIRO,
Jerusalem Post Reporter

YOTVATA, Monday. — Settling the Negev is still the foremost task of this generation, Prime Minister David Ben-Gurion told members of this tour in the company of the director of the Israel Mining Corporation, also showed up at the ceremony. Mr. Ze'ev Onn, Secretary-General of Hevrat Ovdim, came by Arkia plane to represent the Histadrut.

There were two separate

ceremonies today. At the first, members of the Nahal group received the discharge from the army.

"Daring work — and may you be successful."

With only these sentences of greeting, he descended from the rostrum erected against the sheer mountain-side which shelter Yotvata from the north.

Prime Minister was obviously delighted with his own brevity. The greetings went to members of Yotvata who terminated their Army service today and formally took over the settlement from the Nahal Command which established the farm several years ago.

Those who expected the Prime Minister to deliver a political speech with reference to the current crisis were disappointed.

He said that in some cases

there had been mutiny by Indonesian crews on board

ships of the Royal Netherlands

and the Dutch flag had been

handed down and been replaced

by Indonesian colors.

Mr. Onn, said the Dutch

delegation to the U.N. had

instructed to hand a memorandum to its Secretary-General

drawing his attention to

the hostile actions of the

Indonesian government and its

violation of international law

and legal standards. He also

referred to the recent crisis

in Indonesia.

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Today's Postbag**The Weather**

FORECAST: Partly cloudy with possible light showers during the morning.

	A	B	C	D
MT. CARAAN	68	12	11	
Tiberias	55	12	18	
Haifa Port	47	19	18	
Natanya	58	10	18	
Tel Aviv - Kirya	55	18	18	
Tel Aviv - Port	57	9	18	
Tel Aviv - Airport	50	18	18	
Jerusalem	46	8	15	
Beersheba	55	6	17	
Sdom	45	12	21	
Eilat	40	7	20	
Shemot	45	12	21	
Minimum Temp.	31	10	18	
Maximum Temp.	51	24	30	
Yesterday	51	24	30	
Today	51	24	30	

Maximum temp. Di. Maximum temp. expected today.

ARRIVALS

Prof. Aron Zellin, Lecturer in Hebrew Literature at the College for Jewish Studies in New York, and Mrs. Zellin, for a visit.

Mr. Avraham Salmon, Counsellor for economic affairs at the Israel Embassy in Washington, for discussions with Treasury officials.

Prof. M. Margal, professor of radio-chemistry at the Sorbonne, to deliver a series of lectures at the Hebrew University and at the Weizmann Institute.

A delegation of the cooperative movement from a visit to Poland (all by El Al).

DEPARTURES

Mr. N. Birkenfeld, Jerusalem District Assessor, for Britain and the U.S. for advanced study on a U.N. stipend.

TWO COWS valued at IL4,000 were stolen on Sunday night from a cowshed in Rehovot belonging to Mr. Haim Moshlin. Signs that they had been slaughtered were found 300 metres away.

RUTH LOEB, 16, of Kfar Shmaryahu, left by TWA yesterday to represent Israel at the 12th annual New York "Herald Tribune" Youth Forum. She will stay in the U.S. for three months.

TEN YEARS AGO TODAY

The Struggle for Independence

December 24, 1947

A casualty toll of eight deaths, four Jews and four Arabs, three Jews and six Arabs seriously wounded, and 13 Jews and 12 Arabs wounded, was caused in an afternoon sniper's raid on the Ruben Bridge when six unescorted Haifa buses were shot at.

Despite the shooting audible throughout Haifa Carmel, the subscription concert of the Palestine Orchestra was given in the Armon Theatre tonight before an enthusiastic house.

Special Police and Army patrols on the road from Jerusalem to Bethlehem as the procession left Jaffa Gate for the beginning of the Christmas celebrations.

Journalists Tribute POST Anniversary

TEL AVIV, Monday. — The Journalists Association, together with the Editors Committee, today celebrated the *Jerusalem Post's* 25th anniversary at Beit Sokolow.

A distinguished gathering which included the editors and publishers of the entire Hebrew press, senior Government officials, the U.S. and U.K. Press Attachés, and the Head of General Police, raised their glasses charged with champagne in tribute to the paper.

The Mayor of Jerusalem, Mr. Gershon Agron, founder and first Editor of *The Jerusalem Post*, defined the paper's task as "translating the Hebrew soul into English tongue." The credit of the newspaper was and would continue to be unfettered discretion, conditioned by mutual freedom, he declared.

Mr. Dan Pines, Chairman of the Association and Editor of "Omer," spoke of the *Post* as the *septuaginta* of the Hebrew press. Mr. Ted Luria spoke of the anniversary as a milestone not in aging but in growing youth, full and of the "perfume of print's" ink, that kept newspapermen at their jobs late into the night.

The role of *The Post* as the State's show-window and its loyalty to Jerusalem were stressed by the speakers who included Mr. Y. Amit, of "Al Hamishmar," (on behalf of the Editors' Committee); Mr. D. Shurit, of "David"; Mr. Y. Gruman, Managing Editor of "Haboker"; Mr. Y. Ron, Secretary of the Journalists Association; and Mr. U. Kessary, doyen of Tel Aviv columnists.

Kibbutz Victim Of Syrians Buried

RAMAT HASHARON, Monday. — Bezalel Barzilai, 22, the member of Kibbutz Gadot who was killed by a Syrian infiltrator on Saturday in Israel territory, was buried here today.

Among those attending the funeral were members of the deceased's family, settlers of Kibbutz Gadot, Heads of Departments of the Jewish Agency, representatives of Hakhshara Hamehada, and residents of Ramat Hasharon.

A memorial meeting at the tombstone over the grave of the late

Alfred Rosenberg

will take place on Thursday, December 26, 1957 at 3:30 p.m. at the Khayat Beach Cemetery, Haifa. A second memorial meeting will be held at 5 p.m. on the same day at Beit Hataiyanim, 8 Rehov Haneuman, Haifa.

Friends and acquaintances are requested to attend both ceremonies.

THE ELECTRIC WIRE CO. OF ISRAEL LTD.

THE FAMILY

Mayor Blames Citizens For State's Neglect of Jerusalem

Jerusalem Post Reporter

The Government and other public bodies are changing their attitude towards Jerusalem and are now more aware of the urgent need to help it develop not only as the nation's political capital, but also as a city based on sound economic foundations.

This was stated yesterday, by Mayor Gershon Agron, at a luncheon given by the Jerusalem Chamber of Commerce to mark the reopening of the Chamber's Economic Forum.

The Government is busy developing new regions such as Dimona and Ashdod, had neglected Jerusalem and in fact acquired in its remaining backward city, Mr. Agron charged.

However, he said, the main fault lay with its citizens, who did not fight hard enough to make the Government recognize the urgent needs of their city. He complained that some 7,000 of the city's 42,000 rate-payers had asked for complete exemption from payments. The Mayor pointed out that in the four-year plan for industrialization, published by the Ministry of Commerce and Industry some time ago, only some six percent of the total IL300m. allocated was earmarked for development in the Capital.

Lately, however, there had been an apparent change in the Government's attitude and the decision to hold in Jerusalem the annual exhibition and the main parade marking the Tenth Anniversary celebrations was a sign of this.

Mr. Agron revealed that a leading American town-planning firm is now preparing a blue-print on Jerusalem to help attract foreign investors. Foreign investments were a priority for the Municipality did not possess the financial resources needed for development.

Mr. Menachem H. Ellachar, President of the Chamber of

Commerce, pointed out the many varied activities undertaken by the Chamber of Commerce to stimulate the economy of the Capital. Mr. Ellachar also referred to the Chamber's political work in publicizing Israel's viewpoint after the Sinai campaign in Jerusalem.

It was learned that the companies intend to increase accident insurance premiums by between 25 and 50 percent for private cars and by 100 percent for taxis. The companies claim that they lost IL3m. last year owing to the high road accident rate.

The proposed increases would raise third party insurance for cars of between IL30 and 16 horsepower from IL30 to IL30, and commercial insurance for such vehicles from IL250. Premiums will be increased by a third for commercial vehicles and trucks.

No Approval For Car Insurance Rise

Jerusalem Post Reporter

The Government was not convinced by the insurance companies of their intention to raise vehicle accident premiums. Moreover, the increase announced yesterday violates an agreement signed in January between the companies and the Controller of Insurance of the Finance Ministry. Mr. M. Laron, the Controller, declared last night in Jerusalem.

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Economic News from Abroad

Investors of all Countries Unit

A draft convention for the protection of foreign investors has been drawn up by a committee headed by the German banker H. Abs and Professor Doelle of Hamburg, and is now being discussed with British and Dutch experts. The main point of the convention is for foreign owners of foreign property not to be treated worse than the country's own nationals; transfer of earnings and capital to be guaranteed under all circumstances; foreign-owned property not to be nationalized for a period of 30 years, except in certain emergency cases; when full compensation should be paid; the convention to override national legislation; an international tribunal to be entitled to impose sanctions for a certain period, such as the refusal of credits or guarantees by member states, recommendations to banks that they re-

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THE draft law against discriminatory trade practices has had rough parliamentary sailing so far, mainly on the part of the Germans.

CARTELS, AND OF THE SPECIAL STATUS THE LAW accorded in it to agreements concerning agricultural produce and to agreements made between State-controlled companies or companies affiliated to a committee, a provision that covers the entire Histadrut sector of our economy.

In all these cases, agreements fixing prices and profits the quality of goods sold, terms of sale, and even trade partners would be deemed non-discretionary, and therefore outside public inspection and control. Free competition would thus be enforced only among private firms in commerce and industry, and though this may ultimately benefit the nation as a whole, it cannot but weaken these industries, which are weak in other parts of the economy which could organize effectively either on their own initiative (consumers' co-operatives) or by statutory action (citrus growers). To be sure, in some extreme cases the authorities could resort to the most extreme of the proposed law, which is to be applied in a general manner, but palpably this cannot be, nor is it intended to be, anything but an extraordinary measure. It would therefore have been logical to extend the ban on cartels to the whole economy, but the attempts were to be made to root out discrimination—*sang put an end to the resultant extra profits and reduced efficiency.*

But is the law aimed as high as that? Upon closer scrutiny it appears to be of more modest status. Cartels can be banned automatically; it must first interfere with the common seal and the operative clause, section 29, instructs the Cartel Board to take so many factors into consideration in favour of a cartel that few would fail to qualify as "useful" to the public. The cartel need only afford "some specific benefit to the public which cannot be otherwise obtained" or "advance efficiency or lowering of prices" or counter other cartels or monopolies, or even "safeguard a skill necessary for the acquisition, use, consumption, installation, sale, supply, product or service" which however nebulous may be construed to cover a good many vested interests. There is also the admonition that a cartel may be needed in order "to safeguard the continued existence of a whole industry" or "the national economy," which was evidently inserted with the specific intention of brushing aside the question whether the "whole industry" must really be guaranteed a sufficient income at public expense.

If all this is to be taken at face value, one wonders whether much remains in the law that could not have been attained by the stricter and broader application of the existing laws against profiteering, faking goods, etc., not to mention the multifarious emergency powers wielded by the various ministries.

It would, of course, be naive to expect that even a most radical law could at once abolish all the practices in restraint of trade that have developed in this country over a generation. Moreover, experience elsewhere suggests that such a law would shake our economy, and that this would presumably be followed after a while by a partial re-establishment of the old ties. But neither can there be any doubt that much more could be done in Israel to foster competition, to set premiums upon efficiency, costs and high service, and to encourage trade associations, production quotas and other instruments of vested interests. If a start is to be made with legislation in this field, the Government should first proceed with practical examples to give the lead.

Economic News from Abroad

New Schemes to Aid Immigrants

ECONOMIC DEPARTMENT PUTS STRESS ON CAPITAL

Jerusalem Post Reporter

WITH the growing attention that is being given to middle-class immigrants, the Economic Department of the Jewish Agency, under Mr. L. Dulcane, has expanded its activity in several directions.

Apart from the regular information and consultation service it provides for newcomers, the Department now deals with applications for loans to those transferring capital, introduced in July.

Special Rates

Immigrants from soft-currency countries are allowed to exchange their money at the rate of 700 pruta above the official rate of exchange, half of which is a premium while the other half is a loan at three per cent interest, which is to be repaid in six months.

This privilege is on sums not exceeding \$10,000. Some immigrants do not apply for the loans or are rejected because they fail to produce guarantees or have less than the minimum amount of \$500.

During the five months ending in November, 296 immigrants transferred \$710,000 in capital in addition to IL 445,000 in loans.

The Germans until Iranians have been trained. It is to produce 100,000 tons in the first year, to be expanded on 200,000 tons later.

become established in business. From July 1 to December 15 these credits, totalling IL 1.05m., were granted to 412 out of the 800 persons who submitted applications.

Immigrants wishing to engage in small industry or handicrafts received IL 15,000, in the free professions IL 238,000, in commerce and in services IL 181,000. The fund of this department has stepped up to the Jewish Agency (40 per cent), the Treasury (40 per cent) and Bank Leumi Le-Israel (20 per cent) will be exhausted before long, but another IL 1.8m. have been envisaged in next year's budget, and meanwhile the amount that were lent are to be increased.

The price of tin has been increased by an average of 25 per cent for a period of 30 years, except in certain emergency cases when full compensation should be paid; the convention to override national legislation; an international tribunal to be entitled to impose sanctions for a certain period, such as the refusal of credits or guarantees by member states, recommendations to banks that they re-

lent to finance projects in the offending countries, etc.

Too Much Tin

In order to put an end to the steady decline in tin prices which dropped from \$180 per ton in January to \$70 in November, the International Tin Council has decided to reduce world output, which has exceeded actual consumption for the past four years. The six main tin-producing countries, responsible for 156,000 tons of the 176,000 tons produced outside Russia, are to curtail output by an average of 25 per cent for a period of 30 years, except in certain emergency cases when full compensation should be paid; the convention to override national legislation; an international tribunal to be entitled to impose sanctions for a certain period, such as the refusal of credits or guarantees by member states, recommendations to banks that they re-

lent to finance projects in the offending countries, etc.

Israel's Small Steel Plant

The World Bank has refused to grant Israel a loan for establishing a steel plant on the ground that the envisaged capacity would be too small to guarantee profits for the Iran Government is going ahead with the project with the German aid. The Krupp and Demag concerns will build the \$120m. project. The German Government is advancing a credit of \$10m. and Krupp a similar amount, and both are to be converted into shares which Krupp is to take over. The plant is to be erected in the Negev until Iranian immigrants have been trained. It is to produce 100,000 tons in the first year, to be expanded on 200,000 tons later.

During the five months ending in November, 296 immigrants transferred \$710,000 in capital in addition to IL 445,000 in loans.

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als — along with security, the main reason for its settlement right now — is not likely to employ more than limited numbers of immigrants. There is, therefore, an urgent need for new industries, and since private enterprise has been successful in moving to the Negev, the Government has tried to attract it by withholding assistance in the coastal plain and giving incentives in the south.

Since this has proved inadequate, it is now being suggested that courses for diamond polishers be organized in the Negev, so that

would-be investors would get not only raw materials and loans, but skilled workers as well. Only time will tell whether this plan can work. The whole problem, however, should provide the authorities with another good reason for rethinking their approach to the settlement of development areas, which has consisted of bringing immigrants to outlying places first and worrying about permanent employment for them only afterwards. The present lull in immigration should afford us an opportunity to do some replanning in this respect.

DEMAND BRINGS PAPER SHORTAGE

By Our Economic Editor

THE persistent shortage of paper in recent months — in particular in the sulphite and wood-free grades — has led to a considerable rise in prices, in some cases up to 30 per cent above their former level, and the American-Israel Paper Mill in Haifa has been creditable for this despite official pronouncements to the contrary in the company's favour.

However, the company neither benefits from the high profits achieved by wholesalers, nor has it cut down production. AIPM prices have not been increased for almost a year. Between April and September this year sales amounted to 7.8m. compared with 5.57m. between April 1956 and March 1957, although the figure for the six months of this year includes a quantity sold from accumulated stocks.

Sales Rising

In the six months that began in October, the output will be lower on account of the shut-down for the annual overhaul in November, but sales are expected to top 8,800 tons, bringing the year's total to about 14,450 tons.

Moreover, in June the company ceased producing multiwall kraft paper (for cement bags) in order to increase its capacity for other grades, and in August it asked the Ministry of Commerce and Industry to be relieved of the responsibility for covering the entire local demand for newsprint.

The Negev were either unable or unwilling to train their workers properly. Furthermore, it is stressed that such enterprises threaten the future of the industry as a whole; unless allocations are restricted to enterprises whose share to 25 per cent and thus able to raise the production of other grades from

4,523 tons to about 5,100 tons. Whether this would be enough to cover the rapidly expanding home demand is not certain. In any case, the plan could not be carried out according to the schedule because the Treasury was not very enthusiastic at the request that an additional 1,000 tons of newsprint be imported (on top of having to allocate foreign currency for the import of multiwall kraft) and a licence for 500 tons not issued until the end of November.

Meanwhile, local use of newsprint has soared due both to higher press circulation (caused by the population increase) and the increasing number of newspaper editions (in response to the larger volume of advertising). There has also been higher demand for text books, and in particular for special editions of books distributed at popular prices to newspaper subscribers. The Gordon Bible alone, sold to "David" subscribers, is said to have sold 10,000 copies.

Monopoly Problems

There is, therefore, no doubt that the prime cause of the paper shortage has been the rise in demand beyond what had been originally anticipated by the Haifa mill management and the authorities. Nevertheless, the situation has been probably aggravated by the fact that the responsibility for supply is divided, with each quarter pursuing its specific ends.

This is a classic case of problems created by the existence of a monopoly, even though it is subject to a government control. A year ago the mill management attempted to stop its production up to capacity, fought tooth and nail against imports of multiwall kraft — and won at last. It was very adamant against imports of newsprint and it had its way, too, despite the fact that in these two grades its earnings — and incidentally the added value — were the lowest. However, when it

turned out that the home market was ready to absorb larger quantities of more remunerative paper grades, the AIPM management promptly demanded a reversal of the import policy, and is now honestly indignant that this has not been implemented according to its production plan.

To speak of Government control of a monopoly under such circumstances is obviously ridiculous. Needless to say, the situation could have been managed much more easily had the mill been producing at world market prices, for then it would be able to meet competing imports on a commercial basis.

It is to be hoped that the price relationship will improve when the pulp mill in the second paper-making unit goes into operation by mid-1958, making a considerable reduction in overhead costs possible.

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